

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

ORIGINAL

Form ACO-1
September 1999
Form Must Be Typed

WELL COMPLETION FORM
WELL HISTORY - DESCRIPTION OF WELL & LEASE

Operator: License # 34019
Name: U.S. Energy LLC
Address: 20 Lakeview Dr.
City/State/Zip: Garnett, Kansas 66032
Purchaser: _____
Operator Contact Person: Jim Goad
Phone: (661) 599-0303
Contractor: Name: Warren Drilling
License: _____
Wellsite Geologist: Rod Andersen

Designate Type of Completion:
 New Well Re-Entry Workover
 Oil SWD SLOW Temp. Abd.
 Gas ENHR SIGW
 Dry Other (Core, WSW, Expl., Cathodic, etc)

If Workover/Re-entry: Old Well Info as follows:

Operator: _____
Well Name: _____
Original Comp. Date: _____ Original Total Depth: _____
 Deepening Re-perf. Conv. to Enhr./SWD
 Plug Back Plug Back Total Depth
 Commingled Docket No. _____
 Dual Completion Docket No. _____
 Other (SWD or Enhr.?) Docket No. _____

| 10/09/07 | 10/17/07 | 11/27/07 |
|-----------------------------------|-----------------|---|
| Spud Date or Recompletion Date | Date Reached TD | Completion Date or Recompletion Date |

API No. 15 - 145-21565-0000
County: Pawnee
W/2 NE NE Sec. 27 Twp. 20 S. R. 19 East West
575 feet from S / N (circle one) Line of Section
925 feet from E / W (circle one) Line of Section

Footages Calculated from Nearest Outside Section Corner:
____ (circle one) ____ NE SE NW SW

Lease Name: Seltman Well #: 1
Field Name: Oro SE

Producing Formation: Cherokee
Elevation: Ground: 2214 Kelly Bushing: 2221
Total Depth: 4340 Plug Back Total Depth: 4248

Amount of Surface Pipe Set and Cemented at 480 Feet
Multiple Stage Cementing Collar Used? Yes No

If yes, show depth set _____ Feet
If Alternate II completion, cement circulated from _____
feet depth to _____ w/ _____ sx cmt.

Drilling Fluid Management Plan AIF 1 NCR 8-1-08
(Data must be collected from the Reserve Pit)

Chloride content _____ ppm Fluid volume _____ bbls
Dewatering method used Evaporate and fill

Location of fluid disposal if hauled offsite: _____
Operator Name: _____

Lease Name: _____ License No.: _____
Quarter _____ Sec. _____ Twp. _____ S. R. _____ East West
County: _____ Docket No.: _____

INSTRUCTIONS: An original and two copies of this form shall be filed with the Kansas Corporation Commission, 130 S. Market - Room 2078, Wichita, Kansas 67202, within 120 days of the spud date, recompletion, workover or conversion of a well. Rule 82-3-130, 82-3-106 and 82-3-107 apply. Information of side two of this form will be held confidential for a period of 12 months if requested in writing and submitted with the form (see rule 82-3-107 for confidentiality in excess of 12 months). One copy of all wireline logs and geologist well report shall be attached with this form. ALL CEMENTING TICKETS MUST BE ATTACHED. Submit CP-4 form with all plugged wells. Submit CP-111 form with all temporarily abandoned wells.

All requirements of the statutes, rules and regulations promulgated to regulate the oil and gas industry have been fully complied with and the statements herein are complete and correct to the best of my knowledge.

Signature: Rod Andersen
Title: Agent Date: 3/18/08
Subscribed and sworn to before me this 19th day of March
2008
Notary Public: Janice K. Bright
Date Commission Expires: 03/26/09

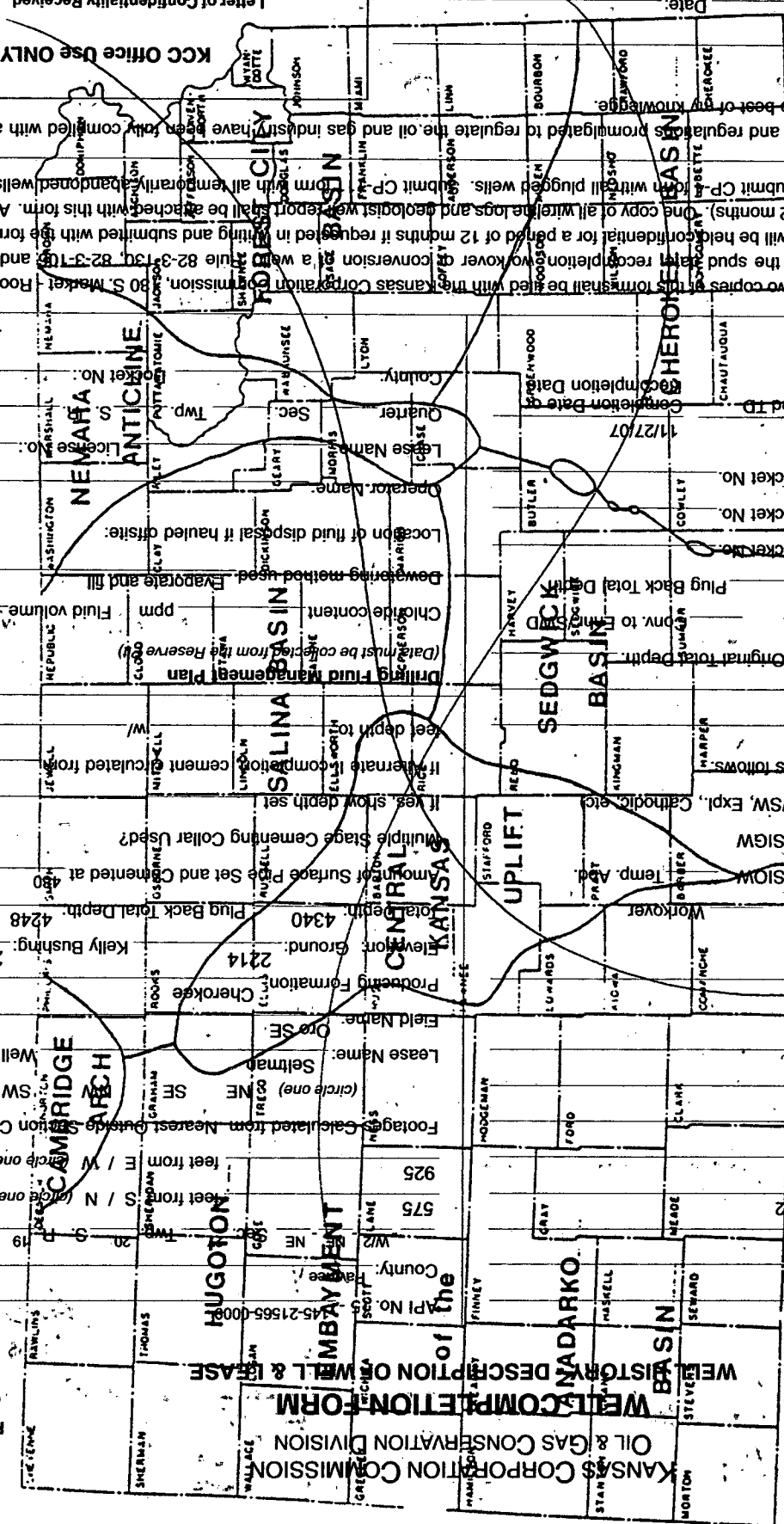
KCC Office Use ONLY

Letter of Confidentiality Received
If Denied, Yes No Date: 3-2-08 RECEIVED
Wireline Log Received KANSAS CORPORATION COMMISSION
Geologist Report Received
MAR 19 2008
CONSERVATION DIVISION
WICHITA, KS

JANICE K. BRIGHT
NOTARY PUBLIC
STATE OF KANSAS
My Appt. Exp. 3-2-09

| | | | | | | | | | | | |
|---|--|---|--|--|--|--|--|--|--|--|--|
| Operator: License # 34019 Name: U.S. Energy, L.C. Address: 20 Lakeview Dr. Garnett, Kansas 66032 City/State/Zip: Purchaser: Operator Contact Person: Jim Goad Phone: (661) 699-0303 Contractor: Name: Warren Drilling License: Wellsite Geologist: Rod Andersen | | Designate Type of Completion: New Well <input checked="" type="checkbox"/> Oil <input type="checkbox"/> SLD Gas <input type="checkbox"/> ENHR Dry <input type="checkbox"/> Other (Core, MSW, Expl., Cathodic, etc.) If Workover/Re-entry: Old Well Info as follows: Operator: Well Name: Original Comp. Date: Deepening <input type="checkbox"/> Dual Completion <input type="checkbox"/> Other (SW or Enhr?) <input type="checkbox"/> 10/09/07 10/17/07 Spud Date or Recompletion Date | | Well Name: UPLIIFT Operator: WARREN DRILLING Completion Date: 11/27/07 Docket No. 1127107 Re-perf. <input type="checkbox"/> Original Total Depth: 4248 Plug Back Total Depth: 4340 Dewatering method used: Evaporate and fill Location of fluid disposal if hauled offsite: Fluid volume: 2221 bbls Chloride content: ppm Drilling Fluid Management Plan (Data must be collected from the Reserve Well) If alternate is completed, cement calculated from feet depth to top of casing If yes, show depth set 480 feet Multiple Stage Cementing Collar Used? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Elevation: Ground: 2214 Elevation: Surface Pipe Set and Cemented at 480 feet Plug Back Total Depth: 4248 Kelly Bushing: 2221 | | Lease Name: SELMAN Field Name: ORSE Footage: Calculated from Nearest Outside Section Corner: feet from S / N (circle one) Line of Section: 925 feet from E / W (circle one) Line of Section: APR No. 45-21565-0008 County: WAGONER API No. 575 Well ID: 575 Footage: 925 Nearest Outside Section Corner: SELMAN | | Well Name: UPLIIFT Operator: WARREN DRILLING Completion Date: 11/27/07 Docket No. 1127107 Re-perf. <input type="checkbox"/> Original Total Depth: 4248 Plug Back Total Depth: 4340 Dewatering method used: Evaporate and fill Location of fluid disposal if hauled offsite: Fluid volume: 2221 bbls Chloride content: ppm Drilling Fluid Management Plan (Data must be collected from the Reserve Well) If alternate is completed, cement calculated from feet depth to top of casing If yes, show depth set 480 feet Multiple Stage Cementing Collar Used? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Elevation: Ground: 2214 Elevation: Surface Pipe Set and Cemented at 480 feet Plug Back Total Depth: 4248 Kelly Bushing: 2221 | | Well Name: UPLIIFT Operator: WARREN DRILLING Completion Date: 11/27/07 Docket No. 1127107 Re-perf. <input type="checkbox"/> Original Total Depth: 4248 Plug Back Total Depth: 4340 Dewatering method used: Evaporate and fill Location of fluid disposal if hauled offsite: Fluid volume: 2221 bbls Chloride content: ppm Drilling Fluid Management Plan (Data must be collected from the Reserve Well) If alternate is completed, cement calculated from feet depth to top of casing If yes, show depth set 480 feet Multiple Stage Cementing Collar Used? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Elevation: Ground: 2214 Elevation: Surface Pipe Set and Cemented at 480 feet Plug Back Total Depth: 4248 Kelly Bushing: 2221 | |
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Fig. 1 Structural Elements in Kansas - Post Missisippian



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All requirements of the statutes, rules and regulations promulgated to regulate the oil and gas industry have been fully complied with and the statements herein are complete and correct to the best of my knowledge.

Title: _____ Date: _____

Subscribed and sworn to before me this _____ day of _____

Notary Public: _____

Date Commission Expires: _____

Signature: _____

KCC Office Use ONLY

Letter of Confidentiality Received _____

If Denied, Yes Date: _____

Wireline Log Received _____

Geologist Report Received _____

UIC Distribution _____

ORIGINAL

Operator Name: U.S. Energy LLC Lease Name: Seltman Well #: 1
 Sec. 27 Twp. 20 S. R. 19 East West County: Pawnee

INSTRUCTIONS: Show important tops and base of formations penetrated. Detail all cores. Report all final copies of drill stems tests giving interval tested, time tool open and closed, flowing and shut-in pressures, whether shut-in pressure reached static level, hydrostatic pressures, bottom hole temperature, fluid recovery, and flow rates if gas to surface test, along with final chart(s). Attach extra sheet if more space is needed. Attach copy of all Electric Wireline Logs surveyed. Attach final geological well site report.

Drill Stem Tests Taken Yes No
 (Attach Additional Sheets)
 Samples Sent to Geological Survey Yes No
 Cores Taken Yes No
 Electric Log Run Yes No
 (Submit Copy)
 List All E. Logs Run:

| Name | Formation (Top), Depth and Datum | |
|---------------|----------------------------------|-------|
| | Top | Datum |
| Chase | 2292 | 71 |
| Topeka | 3332 | 111 |
| Lansing | 3734 | -1513 |
| Cherokee | 4190 | -1969 |
| Mississippian | 4301 | -2080 |

**Compensated Neutron/Density
Dual Induction**

| CASING RECORD <input type="checkbox"/> New <input checked="" type="checkbox"/> Used | | | | | | | |
|---|-------------------|---------------------------|-----------------|---------------|----------------|--------------|----------------------------|
| Report all strings set-conductor, surface, intermediate, production, etc. | | | | | | | |
| Purpose of String | Size Hole Drilled | Size Casing Set (In O.D.) | Weight Lbs./Ft. | Setting Depth | Type of Cement | # Sacks Used | Type and Percent Additives |
| Surface | 12.25 | 8 5/8 | | 480 | 60/40 Poz | 320 | |
| Production | 7 7/8 | 4 1/2 | | 4340 | 60/40 Poz | 165 | |

| ADDITIONAL CEMENTING / SQUEEZE RECORD | | | | |
|---|------------------|----------------|-------------|----------------------------|
| Purpose: | Depth Top Bottom | Type of Cement | #Sacks Used | Type and Percent Additives |
| <input type="checkbox"/> Perforate | | | | |
| <input type="checkbox"/> Protect Casing | | | | |
| <input type="checkbox"/> Plug Back TD | | | | |
| <input type="checkbox"/> Plug Off Zone | | | | |

| Shots Per Foot | PERFORATION RECORD - Bridge Plugs Set/Type Specify Footage of Each Interval Perforated | Acid, Fracture, Shot, Cement Squeeze Record (Amount and Kind of Material Used) | Depth |
|----------------|---|---|-------|
| 4 | 4257-62, 4226-28 | 1,000 gal HCL 15% mca | |
| | 4.5" CIBP @ 4248 | | |

| TUBING RECORD | Size | Set At | Packer At | Liner Run |
|---------------|------|--------|-----------|---|
| | 2" | 4220 | 4207 | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |

| Date of First, Resumerd Production, SWD or Enhr. | Producing Method |
|--|---|
| | <input type="checkbox"/> Flowing <input checked="" type="checkbox"/> Pumping <input type="checkbox"/> Gas Lift <input type="checkbox"/> Other (Explain) |

| Estimated Production Per 24 Hours | Oil Bbls. | Gas Mcf | Water Bbls. | Gas-Oil Ratio | Gravity |
|-----------------------------------|-----------|---------|-------------|---------------|---------|
| | 1/2 | | 50 | | |

Disposition of Gas Vented Sold Used on Lease (If vented, Submit ACO-18.)
 METHOD OF COMPLETION Open Hole Perf. Dually Comp. Commingled
 Production Interval Other (Specify) _____

RECEIVED
 KANSAS CORPORATION COMMISSION
 MAR 19 2008
 CONSERVATION DIVISION
 WICHITA, KS



CORPORATION COMMISSION

Kathleen Sebelius, Governor Thomas E. Wright, Chairman Michael C. Moffet, Commissioner Joseph F. Harkins, Commissioner

April 02, 2008

US ENERGY LLC
120 N OLIVE
GARNETT, KS 66032-1831

RE: API Well No. 15-145-21565-00-00
SELTMAN 1
W2NENE, 27-20S-19W
PAWNEE County, Kansas

Dear Operator:

K.A.R. 82-3-107 provides for all completion information to be filed within 120 days of the spud date. Subsection (e) of that regulation states, "All rights to confidentiality shall be lost if the filings are not timely."

The above referenced well was spudded on October 09, 2007, and the ACO-1 was received on March 19, 2008, (not within the 120 days timely requirement).

Therefore, your request for confidential treatment of data contained within the ACO-1 filing cannot be granted at this time.

If you should have any questions, please do not hesitate to contact me at (316) 337-6200.

Sincerely,

Steve Bond
Production Department Supervisor

Kansas Corporation Commission
State Office Building
Wichita, Kansas 67202

Dear Sirs:

U.S. Energy LLC requests the information contained in the attached ACO-1 be kept confidential for a period of one year.
Thank you for your help in this matter.

Sincerely,

A handwritten signature in cursive script, appearing to read "Rod Andresen".

Rod Andresen,
Agent U.S. Energy LLC

RECEIVED
KANSAS CORPORATION COMMISSION

MAR 19 2008

CONSERVATION DIVISION
WICHITA, KS

BASIC

energy services, L.P.

TREATMENT REPORT

| | | |
|---------------------------------|------------------------|--|
| Customer <i>Phillips</i> | Lease No. | Date |
| <i>ES Energy LLC</i> | | <i>10-17-7</i> |
| Location <i>Saltman</i> | Well # <i>1</i> | |
| Field Order # <i>20132</i> | Station <i>Liberal</i> | Casing <i>4 1/2"</i> Depth <i>4340'</i> County <i>Pawnee</i> State <i>KS</i> |
| Type Job <i>Long String CWL</i> | Formation | Logal Description <i>27-30-19</i> |

| PIPE DATA | | PERFORATING DATA | | FLUID USED | | TREATMENT RESUME | |
|---------------------------|--------------|------------------|----|------------|------------|------------------|--|
| Casing Size <i>4 1/2"</i> | Tubing Size | Shots/Ft | | Rate | Press | ISIP | |
| Depth <i>4340'</i> | Depth | From | To | Pre Pad | Max | Min | |
| Volume | Volume | From | To | Pad | Min | 10 Min. | |
| Max Press | Max Press | From | To | Frac | Avg | 15 Min. | |
| Well Connection | Annulus Vol. | From | To | | HHP Used | Annulus Pressure | |
| Plug Depth | Packer Depth | From | To | Flush | Gas Volume | Total Load | |

| | | |
|--|--------------------------------------|-----------------------------|
| Customer Representative <i>Jim Rowe</i> | Station Manager <i>Jerry Bennett</i> | Treater <i>Frank Chance</i> |
| Service Units <i>19802 19827 19843 19804 19809</i> | | |
| Driver Names <i>Frank Chance Cody S. Damian C.</i> | | |

| Time | Casing Pressure | Tubing Pressure | Gbl. Pumped | Rate | Service Log |
|-------------|-----------------|-----------------|-------------|------------|---------------------------------|
| <i>1400</i> | | | | | <i>Arrive on Location</i> |
| <i>1430</i> | | | | | <i>Safety Meeting / Rig Up</i> |
| <i>2200</i> | <i>0</i> | | <i>5</i> | <i>1</i> | <i>Plug Set & Abuse</i> |
| <i>2210</i> | <i>2000</i> | | | | <i>Pressure Test</i> |
| <i>2220</i> | | <i>600</i> | <i>10</i> | <i>4</i> | <i>Pump Spover</i> |
| <i>2230</i> | | <i>300</i> | <i>35</i> | <i>4</i> | <i>Pump Cement</i> |
| <i>2250</i> | | | | | <i>Wash Up - Accr Plug</i> |
| <i>2300</i> | | <i>600</i> | <i>68</i> | <i>4.5</i> | <i>Displace</i> |
| <i>2320</i> | | <i>1100</i> | | | <i>Land Plug - Floater Held</i> |
| | | | | | <i>Job Complete</i> |

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 CONSERVATION DIVISION
 WICHITA, KS



00484
FIELD ORDER

20132

Subject to Correction

| | | | | |
|---------------|-------------|-----------------------------------|------------------------------|------------------|
| Date: 10-17-7 | Customer ID | Lease: Seltman | Well # 1 | Legal: 27-20-19 |
| Milestone | | County: Pawnee | Date: KS | Station: Liberal |
| Energy LLC | | Depth: 4340' | Formation | Shoe Joint |
| | | Casing: 4 1/2" | Casing Depth: 4340' | TD: 4340' |
| | | Customer Representative: Jim Koch | Job Type: Long String Casing | |
| | | Treatments: Mineral Charge JRB | | |

Materials Received by: *[Signature]*

| Station Code | Product Code | QUANTITY | MATERIALS, EQUIPMENT, and SERVICES USED | UNIT PRICE | AMOUNT |
|--------------------------------|--------------|----------|---|------------|--------------------|
| L | D103 | 25 sk | 60/40 Poz | | 293.25 |
| L | D105 | 135 sk | AA2 | | 2452.95 |
| L | C195 | 910 lb | FLA-322 | | 792.00 |
| L | C321 | 675 lb | Gilsonite | | 452.25 |
| L | C312 | 96 lb | Gas Blok | | 494.40 |
| L | C243 | 26 lb | Defoamer | | 89.70 |
| L | C221 | 705 lb | Salt | | 176.25 |
| L | C244 | 39 lb | Cement Friction Reducer | | 234.00 |
| L | C302 | 500 Gal | Mud Flush | | 430.00 |
| L | F190 | 1 ea | Guide Shoe | | 140.00 |
| L | F100 | 1 ea | Turbalizer | | 402.00 |
| L | F142 | 1 ea | Rubber Plug | | 56.25 |
| L | F230 | 1 ea | Flapper Insert Foot | | 160.00 |
| L | F800 | 1 ea | Threadlock Compound Kit | | 30.00 |
| L | E100 | 160 mi | Heavy Vehicle Mileage | | 800.00 |
| L | E107 | 160 sk | Cement Service Charge | | 240.00 |
| L | E104 | 596 tm | Milk Delivery | | 953.60 |
| L | R209 | 1 ea | Casing Cement Pump, First 4hrs | | 1764.00 |
| L | E101 | 80 mi | Pickup Mileage | | 240.00 |
| L | E891 | 1 ea | Service Supervisor | | 150.00 |
| L | R701 | 1 ea | Cement Head Rental | | 250.00 |
| L | R404 | 1 ea | Derrick Charge 20' up | | 250.00 |
| Total Discounted Amount | | | | | |
| Plus Tax | | | | | \$ 9,010.55 |

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 CONSERVATION DIVISION
 WICHITA, KS

Prett

BASIC

energy services, L.P.

00473

FIELD ORDER

20134

Subject to Correction

| | | | | |
|-------------------------|-------------|---|-------------------------------------|------------------------|
| Date 10-10-07 | Customer ID | Lease Feltman | Well # 1 | Legal 27-20-19 |
| CHARGE Milestone | | County Polk | State K.S. | Station Liberal |
| Energy LLC | | Depth 480' | Formation | Shoe Joint |
| | | Casing 8 5/8" | Casing Depth 480' | TD 490' |
| | | Customer Representative Jim Good | Treatments ESMART CHOICE TRB | |
| APE Number | | PO Number | | |
| Station Code | | Product Code | | |
| QUANTITY | | MATERIALS, EQUIPMENT, and SERVICES USED | | |
| | | UNIT PRICE | | |
| | | AMOUNT | | |

Materials Received by **Jim Good**

| Station Code | Product Code | QUANTITY | MATERIALS, EQUIPMENT, and SERVICES USED | UNIT PRICE | AMOUNT |
|--------------------------|--------------|----------|---|------------|------------------|
| L | D103 | 320 sk | 100/40 PDZ | | 3753.60 |
| L | C194 | 71 lb | CellFlake | | 262.70 |
| L | C310 | 843 lb | Calcium Chloride | | 843.00 |
| L | F163 | 1 ea | Cement Plug | | 88.90 |
| L | E100 | 200 mi | Heavy Vehicle Mileage | | 1000.00 |
| L | E107 | 320 sk | Cement Service Charge | | 480.00 |
| L | E104 | 405 tm | Bulk Delivery | | 2248.00 |
| L | R201 | 1 ea | Casing Cement Pump | | 924.00 |
| L | E101 | 100 mi | Pickup Mileage | | 300.00 |
| L | E991 | 1 ea | Service Supervisor | | 150.00 |
| L | R701 | 1 ea | Cement Head Rental | | 250.00 |
| Discounted Total | | | | | |
| Plus Tax | | | | | \$9270.18 |
| Paid w/ check 105 | | | | | |

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CONSERVATION DIVISION
WICHITA, KS

BASIC energy services, L.P.

TREATMENT REPORT

Customer: Milestone Energy LLC Lease No.: Seltman 1 Date: 10-10-07
 Lease: Seltman Well #: 1
 Field Order #: 20134 Station: Liberal Casing: 8 7/8 Depth: 480' County: Pawnee State: KS
 Type Job: SURFACE CMIW Formation: _____ Legal Description: 21-20-19

| PIPE DATA | | PERFORATING DATA | | FLUID USED | | TREATMENT RESUME | | |
|--------------------------|--------------|------------------|----|-----------------------------|-------------------------|------------------|-------------------|--|
| Casing Size <u>8 7/8</u> | Tubing Size | Shots/Ft | | Acid-Base <u>6.1/40 P02</u> | RATE <u>1.32 P43/50</u> | PRESS <u>6.2</u> | ISIP <u>6415K</u> | |
| Depth <u>480</u> | Depth | From | To | Pre Pad | Max | | 8 Min. | |
| Volume | Volume | From | To | Pad | Min | | 10 Min. | |
| Max Press | Max Press | From | To | Frac | Avg | | 15 Min. | |
| Well Connection | Annulus Vol. | From | To | | HHP Used | | Annulus Pressure | |
| Plug Depth | Packer Depth | From | To | Flush | Gas Volume | | Total Load | |

Customer Representative: Don Good Station Manager: Jerry Bennett Treater: EMUEL CHAVEZ
 Service Units: 19802 19827 19843 19805 19883
 Driver Names: F. Chavez Cody E. Lolo C.

| Time | Casing Pressure | Tubing Pressure | Obs. Pumped | Rate | Service Log |
|-------|-----------------|-----------------|-------------|------|-------------------------|
| 10:00 | | | | | Arrive on location |
| 10:15 | | | | | Safety Meeting - Rig UP |
| 14:15 | 1500 | | | | Pressure Test |
| 14:20 | 200 | | 10 | 3 | Pump spacer |
| 14:25 | 50 | | 7.5 | 4 | Pump Cement |
| 14:50 | 200 | | 26.5 | 3 | Pump Displacement |
| 15:15 | | | | | Shot in Well |

Cement Returns to Surface

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CONSERVATION DIVISION WICHITA, KS